Paying bills online For many consumers, the mouse has replaced the checkbook. BY KEVIN SAVETZ

Mortgages, credit cards, utilities – paying bills will always be a part of life. But it doesn't have to mean writing checks and buying stamps. Increasingly, people are choosing to pay their bills online. By 2006, almost half of U.S. households will pay at least some of their bills on the Internet, according to Jupiter Research, a technology consulting firm.

Scott Dick, a member of the Rotary Club of Carmel Valley, Calif., USA, has been paying his bills online for more than 10 years, before many people had even heard of the Internet. "I did it to get my budget organized," says Dick, a computer consultant. "I also started with Quicken (software) back then, and it really revolutionized the way that I looked after my money."

Many banks now offer an array of online bill-pay services, either for free or for a small charge, depending on what kind of account you keep. Another simple way to start paying bills online is to access the biller's Web site. Many credit card and mortgage companies, for instance, offer free bill-pay features on their sites. Once you enter your checking account number and the payment amount, they'll debit your bank account, and your bill is paid. In addition to saving the cost of a stamp, online payments are often immediate, allowing you to avoid late fees on bills you've put off until the last minute.

Once you're sold on paying bills online, you may decide that surfing from one Web site to another to pay each one is inefficient. Folks who pay many bills online often prefer to use an "aggregator," a single site that can pay bills to multiple receivers. Several of these services can send payments to the companies on their lists (typically national or regional firms) with no charge to the payers. CheckFree (www.checkfree.com) and PayPal (www.paypal.com), both free services, let users pay hundreds of companies. Other services will let you send money to just about anyone, from your babysitter to your doctor, although they often charge a monthly fee.

If you want to fully manage your bills from anywhere (for instance, if you spend a lot of time traveling), you can subscribe to a service that will receive all of your bills online and pay them. These full-featured services aren't free: PayTrust.com charges US$12.95 a month to receive and pay 15 bills.

Even though established online services are very reliable and secure, many consumers remain reluctant to switch from paper statements, perhaps perceiving a certain loss of control in letting a third party receive and handle their bills. Maybe there's simply something reassuring about getting bills in the mail.

And paying bills online isn't completely foolproof. As with check writing, payments can be lost or delayed. The responsibility to review transaction statements remains in the hands of the consumer. In his years of paying bills electronically, Dick has experienced only one problem: A payment that should have occurred once became a recurring payment. On the upside, he has never had a late payment and feels more in control of his money.

Furthermore, by using your bank's Web site to transfer money between accounts, view balances, and download statements into Quicken, Microsoft Money, or another personal finance software application, you can get an even firmer handle on your personal finances, without the frustration of balancing the checkbook.

"I can transfer money between accounts at my leisure," says Dick. "All of my credit cards are paid off monthly by the due date, as well as my insurance premiums. I can make additional payments into my funds or savings. There are no postage costs or mail delays, and that makes things smoother, faster, and safer."

• Kevin Savetz (www.savetz.com) has been a freelance technology writer for a decade.